

CITY OF BISMARCK POLICE PENSION FUND
INVESTMENT PERFORMANCE REPORT AS OF SEPTEMBER 30, 2008

	September-08				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Actual	Quarter	Fiscal YTD	FY08	Ended	Ended
		Policy		Net ROR	Net ROR	Net ROR	6/30/2008	6/30/2008
							Net	Net
LARGE CAP DOMESTIC EQUITY								
Structured Growth								
LA Capital	670,881	3.1%	3.4%	-13.15%	-13.15%	-6.96%	8.22%	N/A
Total Structured Growth	670,881	3.1%	3.4%	-13.15%	-13.15%	-6.96%	8.22%	10.32%
Russell 1000 Growth				-12.33%	-12.33%	-5.96%	5.91%	7.32%
Structured Value								
LSV	637,956	3.0%	3.4%	-6.27%	-6.27%	-22.29%	3.56%	11.19%
Russell 1000 Value				-6.11%	-6.11%	-18.78%	3.53%	8.92%
Enhanced Russell 1000 Index								
LA Capital	568,512	2.7%	2.8%	-9.44%	-9.44%	-10.70%	6.55%	9.03%
Russell 1000				-9.35%	-9.35%	-12.36%	4.81%	8.22%
Enhanced S&P 500 Index								
Northern Trust	268,598	1.3%	1.4%	-6.80%	-6.80%	-15.84%	3.14%	6.72%
Westridge	593,142	2.8%	3.1%	-8.06%	-8.06%	-12.25%	4.94%	8.02%
Wells Capital	387,072	1.8%	2.2%	-24.53%	-24.53%	-31.59%	N/A	N/A
European Credit Management	247,431	1.2%	1.4%	-21.07%	-21.07%	N/A	N/A	N/A
Prudential	266,142	1.2%	1.5%	-25.46%	-25.46%	N/A	N/A	N/A
Franklin	267,070	1.3%	1.4%	-12.12%	-12.12%	-13.65%	N/A	N/A
Total Enhanced S&P 500 Index	2,029,454	9.5%	11.1%	-16.16%	-16.16%	-18.66%	2.40%	6.45%
S&P 500				-8.37%	-8.37%	-13.12%	4.41%	7.58%
Absolute Return Strategy								
Epoch	294,406	1.4%	1.7%	-12.66%	-12.66%	-6.84%	N/A	N/A
S&P 500				-8.37%	-8.37%	-13.12%		
S&P 500 Index								
State Street	318,609	1.5%	1.7%	-11.64%	-11.64%	-18.23%	2.99%	6.70%
S&P 500				-8.37%	-8.37%	-13.12%	4.41%	7.58%
TOTAL LARGE CAP DOMESTIC EQUITY	4,519,819	21.2%	24.0%	-13.07%	-13.07%	-16.11%	4.22%	8.17%
S&P 500				-8.37%	-8.37%	-13.12%	4.41%	7.58%
SMALL CAP DOMESTIC EQUITY								
Manager-of-Managers								
SEI	1,733,356	8.1%	8.6%	-1.30%	-1.30%	-22.41%	1.06%	8.52%
Russell 2000 + 200bp				-0.61%	-0.61%	-14.48%	5.88%	12.50%
Callan	687,130	3.2%	3.4%	-7.13%	-7.13%	-15.44%	N/A	N/A
Russell 2000				-1.11%	-1.11%	-16.19%		
TOTAL SMALL CAP DOMESTIC EQUITY	2,420,486	11.4%	12.0%	-2.98%	-2.98%	-20.36%	2.11%	9.20%
Russell 2000				-1.11%	-1.11%	-16.19%	3.79%	10.29%
INTERNATIONAL EQUITY								
Large Cap - Core								
State Street	198,348	0.9%	1.1%	-21.95%	-21.95%	-13.11%	12.40%	14.27%
MSCI EAFE (1)				-20.56%	-20.56%	-10.61%	12.84%	14.86%
Large Cap - Active								
Capital Guardian	638,301	3.0%	3.3%	-18.64%	-18.64%	-13.89%	11.58%	14.15%
LSV	604,387	2.8%	3.3%	-17.25%	-17.25%	-23.98%	8.07%	N/A
Total Large Cap - Active	1,242,688	5.8%	7.7%	-17.97%	-17.97%	-20.05%	9.04%	13.03%
MSCI EAFE - 50% Hedged				-16.79%	-16.79%	-15.14%	10.93%	14.67%
Small Cap - Active								
DFA	197,025	0.9%	1.1%	-20.80%	-20.80%	N/A	N/A	N/A
Wellington	190,249	0.9%	1.1%	-25.78%	-25.78%	-15.19%	9.83%	16.11%
Total Small Cap - Active	387,274	1.8%	2.2%	-23.33%	-23.33%	-15.60%	9.53%	16.89%
S&P/Citigroup BMI EPAC < \$2BN				-23.50%	-23.50%	-19.12%	10.36%	19.26%
TOTAL INTERNATIONAL EQUITY	1,828,310	8.6%	11.0%	-19.61%	-19.61%	-18.47%	9.51%	13.93%
MSCI EAFE - 50% Hedged				-16.79%	-16.79%	-15.14%	10.93%	14.67%
EMERGING MARKETS EQUITY								
Core								
JP Morgan	87,739	0.4%	0.5%	-22.87%	-22.87%	3.57%	N/A	N/A
PanAgora	85,014	0.4%	0.5%	-27.52%	-27.52%	7.21%	N/A	N/A
WestLB	87,244	0.4%	0.5%	-28.00%	-28.00%	11.12%	N/A	N/A
UBS	115,643	0.5%	0.5%	-27.00%	-27.00%	5.82%	N/A	N/A
Total Core	375,640	1.8%	2.1%	-26.44%	-26.44%	6.87%	27.76%	29.00%
MSCI Emerging Markets				-26.86%	-26.86%	4.89%	27.52%	22.84%
Small Cap								
DFA	88,846	0.4%	0.6%	-24.25%	-24.25%	-13.68%	N/A	N/A
MSCI Emerging Markets				-26.86%	-26.86%	4.89%		
Private Equity								
Capital International	51,152	0.2%	0.2%	6.52%	6.52%	N/A	N/A	N/A
MSCI Emerging Markets				-26.86%	-26.86%			
Infrastructure								
JP Morgan	25,281	0.1%	0.1%	N/A	N/A	N/A	N/A	N/A
TOTAL EMERGING MARKETS EQUITY	540,919	2.5%	3.0%	-23.25%	-23.25%	2.99%	27.07%	28.58%
MSCI Emerging Markets				-26.86%	-26.86%	4.89%	27.52%	30.15%

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							Net	Net
DOMESTIC FIXED INCOME								
Core Bond								
Western Asset	435,721	2.0%	1.7%	-6.30%	-6.30%	-0.30%	1.78%	2.90%
<i>Lehman Aggregate</i>				-0.49%	-0.49%	7.12%	4.09%	3.86%
Index								
Bank of ND	656,915	3.1%	2.6%	-1.64%	-1.64%	7.70%	3.93%	3.57%
Total Index	656,915	3.1%	2.6%	-1.64%	-1.64%	7.70%	4.17%	3.91%
<i>Lehman Gov/Credit</i>				-1.64%	-1.64%	7.24%	3.84%	3.58%
Enhanced								
Westridge	437,118	2.1%	1.6%	2.75%	2.75%	N/A	N/A	N/A
<i>Lehman Aggregate</i>				-0.49%	-0.49%			
Convertibles								
Calamos (2)	434,707	2.0%	1.7%	-11.09%	-11.09%	-2.86%	N/A	N/A
Total Convertibles	434,707	2.0%	1.7%	-11.09%	-11.09%	-2.86%	4.55%	2.71%
<i>Merrill Lynch All Convertibles (3)</i>				-17.56%	-17.56%	-6.36%	5.72%	6.36%
BBB Average Quality								
Wells Capital	476,107	2.2%	1.7%	-3.78%	-3.78%	3.70%	3.26%	4.56%
<i>Lehman BBB</i>				-4.85%	-4.85%	2.62%	2.52%	3.44%
Senior Debt								
PIMCO	159,377	0.7%	0.7%	N/A	N/A	N/A	N/A	N/A
<i>Lehman Aggregate</i>				-0.49%	-0.49%	7.12%		
Private Debt								
Prudential	460,278	2.2%	1.7%	-1.79%	-1.79%	3.32%	3.41%	N/A
<i>Lehman Aggregate</i>				-0.49%	-0.49%	7.12%		
Timberland								
TIR - Teredo (4)	586,226	2.8%	2.8%	-0.14%	-0.14%	22.02%	15.15%	14.07%
TIR - Springbank	1,289,513	6.1%	6.1%	-0.43%	-0.43%	15.25%	18.41%	N/A
Total Timberland	1,875,739	8.8%	8.8%	-0.34%	-0.34%	17.50%	17.86%	21.14%
<i>NCREIF Timberland Index</i>				1.01%	1.01%	19.96%	17.12%	14.70%
Infrastructure								
JP Morgan	936,832	4.4%	4.4%	3.31%	3.31%	13.28%	N/A	N/A
TOTAL DOMESTIC FIXED INCOME	5,872,793	27.6%	24.5%	-1.50%	-1.50%	9.02%	8.15%	9.65%
<i>Lehman Aggregate</i>				-0.49%	-0.49%	7.12%	4.09%	3.86%
HIGH YIELD BONDS								
Core								
Loomis Sayles	486,606	2.3%	1.9%	-12.73%	-12.73%	-1.43%	5.39%	N/A
Sutter/Wells Capital	483,639	2.3%	1.9%	-6.97%	-6.97%	-6.12%	2.58%	N/A
Total Core	970,245	4.6%	3.8%	-10.04%	-10.04%	-3.71%	4.01%	4.88%
<i>LB High Yield 2% Issuer Contstrained Index</i>				-8.56%	-8.56%	-1.75%	4.48%	N/A
Mezzanine Debt								
Goldman Sachs 2006 Fund	31,345	0.1%	0.1%	-6.02%	-6.02%	-3.89%	N/A	N/A
Goldman Sachs Fund V	49,582	0.2%	0.2%	2.67%	2.67%	N/A	N/A	N/A
TCW	87,399	0.4%	0.4%	2.02%	2.02%	7.26%	N/A	N/A
Total Mezzanine Debt	168,325	0.8%	0.8%	0.60%	0.60%	0.49%	N/A	N/A
<i>LB High Yield 2% Issuer Contstrained Index</i>				-8.56%	-8.56%	-1.75%		
Distressed Mortgages								
PIMCO	78,488	0.4%	0.4%	0.96%	0.96%	N/A	N/A	N/A
Declaration Management	19,232	0.1%	0.1%	-3.65%	-3.65%	N/A	N/A	N/A
Total Distressed Mortgages	97,721	0.5%	0.5%	0.02%	0.02%	N/A	N/A	N/A
<i>LB High Yield 2% Issuer Contstrained Index</i>				-8.56%	-8.56%			
TOTAL HIGH YIELD BONDS	1,236,291	5.8%	5.0%	-7.92%	-7.92%	-4.27%	3.82%	6.32%
<i>LB High Yield 2% Issuer Contstrained Index</i>				-8.56%	-8.56%	-1.75%	4.48%	6.88%
INTERNATIONAL FIXED INCOME								
International Sovereign								
UBS Global (Brinson)	960,222	4.5%	4.5%	-4.51%	-4.51%	17.24%	5.56%	6.49%
<i>Citigroup Non-US Gov't Bond Index (5)</i>				-4.25%	-4.25%	18.73%	6.63%	7.04%
International Core								
Brandywine	1,002,121	4.7%	4.5%	-5.68%	-5.68%	10.78%	7.06%	8.51%
<i>Lehman Global Aggregate (ex-US)</i>				-5.90%	-5.90%	16.53%	7.88%	7.38%
TOTAL INTERNATIONAL FIXED INCOME	1,962,343	9.2%	9.0%	-5.11%	-5.11%	13.90%	6.31%	7.50%
<i>Citigroup Non-US Gov't Bond Index (5)</i>				-4.25%	-4.25%	18.73%	6.66%	7.06%
REAL ESTATE								
INVESCO - Core	951,970			0.63%	0.63%	8.27%	N/A	N/A
INVESCO - Fund II	18,258			-1.85%	-1.85%	N/A	N/A	N/A
J.P. Morgan Strategic & Special Funds	878,788			-1.95%	-1.95%	5.69%	15.27%	15.26%
J.P. Morgan Alternative Property Fund	240,094			-0.60%	-0.60%	4.59%	N/A	N/A
J.P. Morgan Greater China Property Fund	25,941			-5.24%	-5.24%	N/A	N/A	N/A
TOTAL REAL ESTATE	2,115,051	9.9%	8.5%	-0.72%	-0.72%	6.31%	15.27%	15.26%
<i>NCREIF TOTAL INDEX</i>				-0.17%	-0.17%	9.20%	14.82%	14.63%

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							Net	Net
ALTERNATIVE INVESTMENTS								
Coral Partners V	30,989			0.00%	0.00%	9.09%	5.22%	-8.23%
Coral Partners V - Supplemental	3,619			10.51%	10.51%	-6.34%	3.94%	6.41%
Coral Momentum Fund (Formerly Fund VI)	59,414			-4.97%	-4.97%	13.96%	-3.63%	-7.09%
Brinson 1998 Partnership Fund	3,536			-3.84%	-3.84%	6.92%	17.74%	16.40%
Brinson 1999 Partnership Fund	10,866			-2.15%	-2.15%	13.32%	15.81%	14.25%
Brinson 2000 Partnership Fund	34,621			-10.02%	-10.02%	21.82%	21.03%	17.78%
Brinson 2001 Partnership Fund	31,009			-1.08%	-1.08%	2.23%	12.37%	9.49%
Brinson 2002 Partnership Fund	15,269			-5.82%	-5.82%	3.20%	14.93%	10.72%
Brinson 2003 Partnership Fund	5,979			2.40%	2.40%	-6.42%	16.42%	8.89%
Total Brinson Partnership Funds	101,280			-4.98%	-4.98%	13.85%	17.75%	14.80%
Brinson 1999 Non-US Partnership Fund	5,212			-1.11%	-1.11%	-9.78%	38.86%	33.76%
Brinson 2000 Non-US Partnership Fund	11,606			-3.21%	-3.21%	27.03%	38.56%	28.82%
Brinson 2001 Non-US Partnership Fund	7,939			-8.05%	-8.05%	13.44%	15.89%	14.66%
Brinson 2002 Non-US Partnership Fund	20,784			-5.05%	-5.05%	14.08%	43.86%	31.81%
Brinson 2003 Non-US Partnership Fund	17,863			3.32%	3.32%	24.92%	42.47%	23.29%
Brinson 2004 Non-US Partnership Fund	8,620			-4.17%	-4.17%	29.16%	25.88%	N/A
Total Brinson Non-US Partnership Fund	72,023			-2.76%	-2.76%	18.83%	37.12%	28.34%
Adams Street 2008 Non-US Partnership Fd	1,759			-3.86%	-3.86%	N/A	N/A	N/A
Brinson BVCF IV	55,812			7.08%	7.08%	-1.94%	7.62%	9.88%
Adams Street Direct Co-investment Fund	61,397			-3.78%	-3.78%	4.06%	N/A	N/A
Matlin Patterson Global Opportunities	20,696			-27.00%	-27.00%	-29.56%	-11.62%	9.60%
Matlin Patterson Global Opportunities II	107,614			-10.56%	-10.56%	-5.55%	8.69%	N/A
Matlin Patterson Global Opportunities III	60,263			1.13%	1.13%	-20.02%	N/A	N/A
InvestAmerica	27,051			0.00%	0.00%	27.36%	13.22%	1.67%
Hearthstone MSII	0			-100.00%	-100.00%	-62.01%	-100.00%	-100.00%
Hearthstone MSIII	3,560			-33.76%	-33.76%	-10.75%	63.82%	N/A
Corsair III	47,351			-6.63%	-6.63%	64.04%	N/A	N/A
Corsair III - ND Investors LLC	36,185			0.00%	0.00%	N/A	N/A	N/A
Quantum Resources	858			-91.16%	-91.16%	-52.44%	N/A	N/A
Quantum Energy Partners	10,638			-0.52%	-0.52%	-3.17%	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (6)	700,509	3.3%	3.0%	-5.93%	-5.93%	4.50%	10.73%	11.31%
CASH EQUIVALENTS								
Northern Trust STIF	43,306			0.49%	0.49%	0.70%	3.40%	2.76%
Bank of ND	70,463			N/A	N/A	N/A	N/A	N/A
TOTAL CASH EQUIVALENTS	113,769	0.5%	0.0%	0.48%	0.48%	0.70%	3.61%	3.40%
90 Day T-Bill				0.63%	0.63%	3.63%	4.27%	3.18%
TOTAL FUND	21,310,291	100.0%	100.0%	-7.48%	-7.48%	-4.68%	7.37%	10.25%
POLICY TARGET BENCHMARK				-5.97%	-5.97%	-3.33%	5.92%	8.03%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.

(2) TCW was terminated on September 22, 2006. The portfolio was transferred to Calamos on October 5, 2006.

(3) Prior to January 1, 2005, the benchmark was the First Boston Convertible Index.

(4) Prior to June 1, 2006, the Toredon properties were under the management of RMK.

(5) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.

(6) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual cost